

## **BILL ANALYSIS**

Senate Research Center

H.B. 1822  
By: Yarbrough (Carona)  
Economic Development  
8/9/1999  
Enrolled

### **DIGEST**

Currently, the Air Conditioning and Refrigeration Contractor License Act requires any air conditioning and refrigeration contractor doing business in Texas to hold either a municipal or state license. H.B. 1822 will clarify provisions of the Act and strengthen penalties for operating as a contractor without a license.

### **PURPOSE**

As enrolled, H.B. 1822 regulates air conditioning and refrigeration contractors and provides penalties.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 2(7) and (9), Article 8861, V.T.C.S. (Air Conditioning and Refrigeration Contractor License Law), to redefine "air conditioning and refrigeration contracting."

SECTION 2. Amends Section 2, Article 8861, V.T.C.S., to define "air conditioning and refrigeration contracting company."

SECTION 3. Amends Sections 3(b) and (m), Article 8861, V.T.C.S., to authorize the executive director of the Texas Commission of Licensing and Regulation, rather than the commissioner, to issue certain orders as necessary to enforce this Act. Authorizes the executive director to issue cease and desist orders. Provides that a representative of the Texas Department of Licensing and Regulation, rather than the commission, or a municipal air conditioning or refrigeration inspector within the jurisdiction of the municipality to issue a citation to a person who violates Section 10(e) or (f) of this Act.

SECTION 4. Amends Section 3B, Article 8861, V.T.C.S., as follows:

Sec. 3B. New heading: LICENSE REQUIRED: CITATION. Requires an air conditioning and refrigeration contracting company to employ full time in each permanent office a license holder whose license is assigned to that company. Authorizes a municipal or county official to issue a citation to an air conditioning and refrigeration contracting company that performs air conditioning and refrigeration contracting without a license issued under this Act, if the person is not exempt from the provisions of this Act.

SECTION 5. Amends Article 8861, V.T.C.S., by adding Section 3C, as follows:

Sec. 3C. ENFORCEMENT OF CONTRACTS. Prohibits a air conditioning and contracting company (company) from collecting a fee or enforcing a contract for services performed with employing a licensee with the appropriate license. Requires a company that performs services to have been licensed at the time the contract is signed and at the time the work is performed, to enforce a contract for the performance of air conditioning and refrigeration contracting.

SECTION 6. Amends Sections 4(f) and (g), Article 8861, V.T.C.S., to make conforming changes.

SECTION 7. Amends Section 5(a), Article 8861, V.T.C.S., to provide that the failure to provide

proper installation service or, rather than and, mechanical integrity under this Act constitutes a violation of this Act.

SECTION 8. Amends Section 6(a), Article 8861, V.T.C.S., to provide that this Act does not apply to persons who perform air conditioning and refrigeration contracting on residential refrigerators, freezers, and ice machines.

SECTION 9. Amends Section 7, Article 8861, V.T.C.S., to authorize the amount of a fee imposed by a municipality on a contractor to provide notice under this section to be set by the municipality only in an amount reasonable and necessary to implement this section.

SECTION 10. Amends Section 8, Article 8861, V.T.C.S., to provide that under this subsection a certain offense is a Class C, rather than B, misdemeanor.

SECTION 11. Amends Section 9, Article 8861, V.T.C.S., to provide that a license issued by a municipality of this state that complies with the requirements of this section is valid under the terms of the license within that municipality. Provides that a license issued by the department, rather than under this Act, is valid throughout the state. Requires an applicant for a municipal license to meet certain requirements.

SECTION 12. Amends Section 10(h), Article 8861, V.T.C.S., to make a conforming change.

SECTION 13. Amends Section 10, Article 8861, V.T.C.S., to provide that this section does not apply to persons exempt under Section 6(a)(3), (5), or (7) of this Act.

SECTION 14. Makes application of this Act prospective.

SECTION 15. (a) Provides that the change in law made to Section 8, Article 8861, V.T.C.S., by this Act applies to a municipal license issued or renewed on or after the effective date of this Act. Requires a municipality subject to that section to adopt examination requirements in compliance with that section not later than January 1, 2000.

(b) Requires a person who holds a municipal license on the effective date of this Act to satisfy the examination requirements imposed under Section 9(b), Article 8861, V.T.C.S., as added by this Act, not later than June 1, 2000, to continue to engage in the practice of air conditioning and refrigeration contracting after September 1, 1999.

SECTION 16. (a) Effective date: September 1, 1999.

(b) Requires the commissioner of licensing and regulation to adopt rules as required by Section 3C, Article 8861, V.T.C.S., as added by this Act, not later than December 31, 1999.

SECTION 17. Emergency clause.